

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

MOTION, NOTICE, AND APPLICATION OF JACKSON)
PURCHASE ELECTRIC COOPERATIVE CORPORATION)
FOR PERMISSION TO FLOW THROUGH A WHOLESALE) CASE NO. 8617
RATE INCREASE FILED BEFORE THE FEDERAL)
ENERGY REGULATORY COMMISSION BY KENTUCKY)
UTILITIES COMPANY, DOCKET NO. ER-82-673)

O R D E R

On August 13, 1982, Jackson Purchase Electric Cooperative Corporation ("Jackson Purchase") filed its application to flow through any increase in rates granted to its wholesale power supplier Kentucky Utilities Company ("Kentucky Utilities") by the Federal Energy Regulatory Commission ("FERC"). Jackson Purchase could experience an increase in power cost in two phases depending on the decision of FERC. Therefore, Jackson Purchase in its application requested a phase I power cost adjustment in the amount of \$1,989,334 and a phase II power cost adjustment in the amount of \$2,318,660. The adjustments to the total revenue in phase I would be an increase of 11.24 percent and in phase II, an increase of 13.11 percent. Kentucky Utilities has asked FERC to allow it to place phase II into effect on September 23, 1982, or as an alternate method to suspend phase II for 5 months and allow phase I to become effective September 23, 1982.

A hearing was held in the Commission's offices in Frankfort, Kentucky on September 21, 1982. No protests were entered. At the hearing Mr. Jack D. Gaines, witness for Jackson Purchase, testified that FERC did permit phase I of Kentucky Utilities' application to become effective September 23, 1982, subject to refund pending a final decision by FERC.

The Commission, after review of the evidence of record and being advised, is of the opinion and finds that:

1. The increase that FERC permitted Kentucky Utilities to put into effect on September 23, 1982, subject to refund, will result in an increase of power cost to Jackson Purchase of \$1,989,334.

2. Jackson Purchase is entitled to recover the increased wholesale power cost, and its financial condition would be materially impaired if it were not allowed to recover this additional cost.

3. The revised rates and charges in Appendix A are designed to reflect only the increased power cost approved by FERC for Kentucky Utilities and are subject to refund.

4. The flow-through of the wholesale power cost increase will not result in any additional net margin to Jackson Purchase.

IT IS THEREFORE ORDERED that:

1. Jackson Purchase be and it hereby is authorized to flow through the increased power costs resulting from the rate increase granted its wholesale power supplier, Kentucky Utilities.

2. The rates and charges in Appendix A are approved for service rendered on and after September 23, 1982.

3. The rates and charges in Appendix A shall be placed into effect subject to refund pending the final decision of FERC in Kentucky Utilities' application for wholesale power increase.

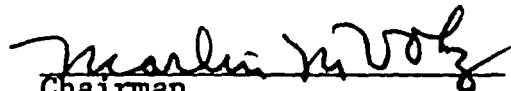
4. Jackson Purchase shall maintain its records in such a manner, that should a refund be required in the final decision by FERC, the refund to the customers of Jackson Purchase could be quickly determined.

5. Jackson Purchase shall provide to the Commission a copy of the FERC decision in the Kentucky Utilities wholesale rate case when available.

6. Jackson Purchase shall file within 20 days from the date of this Order its revised tariff sheets setting out the rates and charges approved herein.

Done at Frankfort, Kentucky, this 30th day of September, 1982.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 8617 DATED SEPTEMBER 30, 1982

The following rates and charges are prescribed for the customers in the area served by Jackson Purchase Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

Rates: Monthly

Schedule R - Residential

<u>Service Charge:</u>		Minimum per month	\$ 5.90
<u>Energy Charge:</u>			
First	400 KWH	Per KWH per month	7.156¢
Next	600 KWH	Per KWH per month	5.419¢
Over	1000 KWH	Per KWH per month	5.071¢

Schedule CSL - Community & Public Authority Street Lighting

Each 175 Watt Mercury Vapor Lamp	Per month per lamp	\$ 7.39
Each 400 Watt Mercury Vapor Lamp	Per month per lamp	11.71

Schedule C - Small Commercial

<u>Service Charge:</u>		Minimum per month	\$ 5.90
<u>Energy Charge:</u>			
First	500 KWH	Per KWH per month	7.156¢
Next	500 KWH	Per KWH per month	6.407¢
Next	5,000 KWH	Per KWH per month	5.944¢
Over	6,000 KWH	Per KWH per month	5.071¢

Schedule D - Commercial and Industrial Service & Three Phase Service

<u>Service Charge:</u>		Minimum per month	\$14.75
<u>Energy Charge:</u>			
First	200 KWH	Per KWH per month	4.020¢
Over	200 KWH	Per KWH per month	3.789¢

Demand Charge:

Over 25 KW of billing demand per month, per KW per month \$ 4.34

Schedule SP - Seasonal Power Service

Rate Per Year:

First 1,500 KWH	Per KWH per year	11.640¢
Next 500 KWH/H.P.	Per KWH per year	8.630¢
All Additional KWH	Per KWH per year	5.504¢

MINIMUM ANNUAL CHARGE:

The minimum annual charge under the above rate shall be:

A. First 25 connected horsepower or less (minimum)	\$290.00
Balance of connected horsepower Per H.P. per year	9.35

SCHEDULE I - Industrial Service

Rates Monthly:

Demand Charge:

First 5,000 KW of billing demand	Minimum per month	\$39,165.00
All additional KW	Per KW per month	\$ 7.833

Energy Charge:

All KWH	Per KWH per month	2.623¢
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SCHEDULE SL - Mercury Vapor Security Lighting

175 Watt mercury vapor lamp	Per month per lamp	\$ 7.39
400 Watt mercury vapor lamp	Per month per lamp	11.71

SCHEDULE ND - Commercial & Industrial & All Other Three Phase Service
(under 25 KVA)

Service Charge:

Minimum per month	\$ 6.75
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Energy Charge:

First 500	Per KWH per month	7.156¢
Next 500	Per KWH per month	6.407¢
Next 5,000	Per KWH per month	5.944¢
All Over 6,000	Per KWH per month	5.071¢